

## Message Text

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14

ACTION XMB-07

INFO OCT-01 EUR-25 ADP-00 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 OPIC-12 CIEP-02

LAB-06 SIL-01 OMB-01 DODE-00 PM-09 SS-14 NSC-10 L-03

RSR-01 /136 W

----- 090142

R 021723 Z APR 73

FM AMEMBASSY MADRID

TO SECSTATE WASHDC 5442

INFO CINCEUR

JUSMG- MAAG MADRID SPAIN

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PASS EXIMBANK CHAIRMAN KEARNS

E. O. 11652: N/ A

TAGS: EFIN SP

SUBJECT: EXIMBANK LINE OF CREDIT SUPPORTING AGREEMENT OF  
FRIENDSHIP AND COOPERATION

1. THE FOLLOWING NOTE HAS BEEN RECEIVED FROM THE FONOFF:

" THE LINE OF CREDIT AGREED UPON BETWEEN THE SPANISH MINISTRY  
OF FINANCE AND THE EXIMBANK WHEREBY THERE ARE BEING FINANCED  
50 PERCENT OF THE PURCHASES IN THE U. S. OF MILITARY EQUIPMENT  
PROGRAMMED UNDER THE TREATY OF FRIENDSHIP AND COOPERATION OF  
AUG 6, 1970 IS GOVERNED BY A DOCUMENT OR CONTRACT DATED JULY  
15, 1971.

" ARTICLE 4 OF THIS DOCUMENT PROVIDES " THAT NO DISBURSEMENTS  
WILL BE MADE AGAINST THE LINE OF CREDIT AFTER THE CLOSE  
OF THE FISCAL YEAR ON DECEMBER 31, 1973, UNLESS THE EXIMBANK  
CONSENTS IN WRITING TO MAKE DISBURSEMENTS AFTER THAT DATE.

" IN THIS CONNECTION, THERE HAS ARISEN A SERIOUS PROBLEM  
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RELATED TO THE ARMY'S TERRITORIAL COMMAND NETWORK (RED DE MANDO TERRITORIAL DEL EJERCITO), AS THERE ARE PENDING THE DEFINITE CONTRACTS FOR THE PURCHASE OF MATERIALS WHICH ARE NECESSARY FOR THE AFOREMENTIONED NETWORK. AS A CONSEQUENCE THEREOF, IT IS FORESEEN THAT IT WILL BE NECESSARY TO MAKE ALL PAYMENTS FOR THIS PURPOSE AFTER THE ABOVE DATE, AS ORIGINALLY FORESEEN, OF AVAILABILITY OF THE LINE OF CREDIT TO WHICH WE HAVE MADE REFERENCE.

" TAKING INTO CONSIDERATION THE AFOREMENTIONED REASONS, THE MINISTRY OF FOREIGN AFFAIRS REQUESTS THE EMBASSY TO CARRY OUT THE NECESSARY ARRANGEMENTS WITH THE COMPETENT AGENCIES IN THE U. S., IN ORDER THAT THE LINE OF CREDIT AGREED UPON BETWEEN THE SPANISH MINISTRY OF FINANCE AND THE EXIMBANK BE EXTENDED THROUGH DECEMBER 31, 1975."

2. THERE HAS BEEN A LONG DELAY IN SELECTING THE COMPONENTS FOR THE TERRITORIAL COMMAND NETWORK AND THE EMBASSY AND JUSMG CONCUR THAT IF THE TERMINAL DATE OF THE LINE OF CREDIT IS NOT EXTENDED EXIMBANK SUPPORT FOR THIS PROCUREMENT UNDER THE AGREEMENT OF FRIENDSHIP AND COOPERATION AS APPROVED BY GOVERNMENTS WILL NOT BE AVAILABLE.

3. THE EMBASSY URGES FAVORABLE CONSIDERATION BY EXIMBANK TO EXTEND THE DATE OF THE LINE OF CREDIT TO DECEMBER 31, 1975 AS REQUESTED BY THE GOS, BOTH TO INSURE OUR COMPLIANCE WITH THE TERMS OF THE BASES AGREEMENT, I. E. TO ASSIST SPANISH PROCUREMENT, AND IN OUR COMMERCIAL INTEREST SINCE WITH THE CREDIT IT IS U. S. SUPPLIERS WHO ARE EXPECTED TO OBTAIN THE BUSINESS.  
RIVERO

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\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* LIMITED OFFICIAL USE

## Message Attributes

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**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
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**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
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**Executive Order:** n/a  
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**TAGS:** EFIN, SP  
**To:** CINCEUR  
JUSMG- MAAG MADRID  
SECSTATE WASHDC  
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